

MINUTES
REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY
Tuesday, January 12, 2016
City Hall, Room 604
1:30 p.m.

MEMBERS PRESENT: Harry Maier, Chair; Gary Delveaux, Vice-Chair; Ald. Joe Moore, Melanie Parma, Matt Schueller, Tom Weber

MEMBERS EXCUSED: Jim Blumreich

LIAISON REPRESENTATIVES PRESENT: Jeff Mirkes, Tara Gokey, Leah Weycker

OTHERS PRESENT: Kevin Vonck, Cheryl Renier-Wigg, Krista Baeten, Billie Jo Horsens, Ken Rovinski, Tony Wachewicz, Mayor Schmitt, Alysha Zoeller, Scott Schoeneman, Ray Salter, Chris Mangless

APPROVAL OF AGENDA:

Approval of the agenda for the January 12, 2016, meeting of the Redevelopment Authority.

A motion was made by M. Parma and seconded by Ald. J. Moore to approve the agenda for the January 12, 2016, meeting of the Redevelopment Authority. Motion carried.

APPROVAL OF MINUTES:

Approval of the minutes from the December 8, 2015, regular meeting of the Redevelopment Authority.

A motion was made by Ald. J. Moore and seconded by G. Delveaux to approve the minutes from the December 8, 2015, regular meeting of the Redevelopment Authority. Motion carried.

COMMUNICATIONS:

None.

OLD BUSINESS:

None.

NEW BUSINESS:

1. Request to extend the Planning Option with Initiative – Two, LLC on the Schauer and Schumacher property.

K. Vonck stated that a Planning Option was granted by the RDA to Initiative – Two, LLC last August. Initiative – Two is still looking at potential development prospects, but are

not at the point of being ready to move forward with a development agreement. They have requested an extension. Staff supports a six-month extension.

Discussion occurred regarding the cost of purchasing the building and maintenance costs.

Ald. J. Moore asked if anyone else had expressed interest in this property. K. Vonck indicated a request was received last week, but asked the Authority to take into consideration the work that has been put in by Initiative – Two, LLC. Staff supports a six-month extension which, added on to the original Planning Option, would give them one year to put together a project. A recap was provided of the proposal from Initiative – Two, which includes high-end, retail use with a combination of some offices and a residential component with high-end apartments. In addition, they are looking at the block as a whole, with the potential to bring some properties on the block that are underdeveloped into this project.

A motion was made by T. Weber and seconded by G. Delveaux to open the meeting for public discussion. Motion carried.

Chris Mangless, 335 N. Broadway, stated there is a group of investors interested in the Schauer and Schumacher property. His main interest is to have an event space on the second floor of the corner unit with an overall plan that includes a coffee shop/design studio, an upscale wine bar, retail unit space, and private condos. One investor has already expressed interest in purchasing one of the condos along with 6-8 other potential condo buyers. He believes to have enough interest to occupy approximately 70% of the space at this time. Discussion occurred regarding options for financial backing. He estimated a three-month timeframe to be ready to come back with a development agreement.

A motion was made by Ald. J. Moore and seconded by G. Delveaux to return to regular order. Motion carried.

Ald. J. Moore suggested to extend the Planning Option with Initiative - Two, LLC for four months with an expiration of May 31, 2016, and to remove line item #2 of the extension agreement, which calls for a payment of \$10.00.

A motion was made by Ald. J. Moore and seconded by T. Weber to extend the Planning Option with Initiative - Two, LLC for four months with an expiration of May 31, 2016, and to remove line item #2 of the extension agreement, which calls for a payment of \$10.00.

Mayor Schmitt noted that two quality people are interested in this property and this is a big decision. He mentioned the possibility of giving staff more time to come up with a recommendation.

K. Vonck stated that his office was contacted after the agenda packet went out and he is not able to discuss a proposal by Chris Mangless because of the current Planning Option, which expires at the end of the month. The extension could be held and discussed at a special RDA meeting anticipated for January 26. This would allow both

parties more time. A discussion followed on whether another proposal could come before the Authority prior to the current Planning Option expiring. G. Delveaux recommended letting the Planning Option expire on January 31 and bring the item back at the February meeting. This would allow staff more time to determine a strong recommendation as well as allow the Authority the ability to work with the two proposals.

A motion was made by T. Weber and seconded by Ald. J. Moore to table the request to extend the Planning Option with Initiative – Two, LLC on the Schauer and Schumacher property until next month's meeting. Motion carried.

2. Requests by Integrity Home Builders and NeighborWorks Green Bay for a Planning Option at 308 S. Quincy Street for the New Homes in Your Neighborhood Program.

K. Rovinski stated that both Integrity Home Builders and NeighborWorks Green Bay are interested in a three-month planning option to build a new, single-family home under the New Homes in Your Neighborhood Program. Staff evaluated the two proposals using four criteria - design, financial commitment, timeline, and exposure for the New Homes in Your Neighborhood Program. Both are good builders and have good relationships with the City, but staff recommends granting the three-month option to Integrity Home Builders. It was noted that Integrity Home Builders is currently building on 327 S. Quincy Street.

C. Renier-Wigg stated that Integrity has a better financial commitment at this stage. They both had good designs and the timeline is about the same for both. Integrity is planning on using the current build on 327 S. Quincy Street in the Showcase of Homes and they would market this site as well, which would give good exposure to the program. Both projects are good. NeighborWorks is proposing a green build, which staff would like to see and will work with them on other sites. Staff felt the proposal submitted by Integrity Home Builders was more complete.

A motion was made by T. Weber and seconded by M. Schueller to approve a three-month Planning Option at 308 S. Quincy Street with Integrity Home Builders. Motion carried.

3. Request by Ald. Mark Steuer to purchase 227 S. Woodlawn Avenue using Neighborhood Enhancement funds.

C. Renier-Wigg noted a correction to the address. It is 227 Woodlawn Avenue and not 227 S. Woodlawn Avenue. She provided a history regarding this property. In 2010, staff was approached by the Law Department to assist with relocation as part of the Velp Avenue reconstruction project. It was a difficult relocation and at the time, staff was working with the property on Woodlawn Avenue, which had been purchased with CDBG funds to rehab (utilizing HOME funds) and sell. The property on Woodlawn was sold to the displacee for \$110,000. The RDA carries the mortgage, which allowed the displacee to own and occupy the property. It is a 15-year mortgage. There have been

a number of challenges with the resident and neighbors regarding inspection complaints and police calls, some involving weapons. It is not a good neighborhood situation.

Ald. Steuer and staff have been working for years to come up with a solution. The person who holds the mortgage is ready to sell and move. An inspection was done of the property and it has been very well maintained. Staff believes the estimated value, based on comps in the neighborhood, is approximately \$104,900. The goal would be to purchase the property using Neighborhood Enhancement funds and sell it. Staff made an offer, reducing the value of \$104,900 by 6% for the cost of hiring someone to sell it. There is an accepted offer of \$98,600. The owner will be ready to close by the end of February. Purchasing this property with Neighborhood Enhancement funds would eliminate the mortgage staff is servicing monthly and federal strings attached to the property. This will enable us to sell it as quickly as possible. The property has a fair market value of \$101,100 with a tax value of \$98,500.

A motion was made by G. Delveaux and seconded by M. Parma to purchase 227 Woodlawn Avenue for \$98,600 using Neighborhood Enhancement funds. Motion carried.

4. Request by Raymond G. Salter for subordination of mortgage for 106-110 S. Broadway (Tax Parcel 3-106).

K. Vonck has asked the RDA to retain a subordinate position on a new mortgage he is seeking on his property at 106-110 S. Broadway (southwest corner of Broadway and Walnut Street). The loan, from 2009, was for \$16,000 and was intended as a deferred payment. The amount outstanding is \$15,600 and the RDA is already in second position. Mr. Salter is present to explain more about the use of the loan.

A motion was made by G. Delveaux and seconded by M. Schueller to open the floor for public discussion. Motion carried.

R. Salter explained that the loan from 2009 was originally through On Broadway, along with Derek Lord. The loan was used for new windows and façade. The RDA took a second position. His mortgage currently is about \$70,000 and he is trying to get a new mortgage for \$120,000 to jumpstart his condo project at 116 S. Broadway. The underwriters at Fox Community Credit Union are asking the City to take a subordinate position to the new loan. This would put the RDA in second position behind a \$120,000 first mortgage instead of behind a \$70,000 first mortgage. The assessed value on the building is \$238,000. He clarified that the new loan is for the property he owns at 116 S. Broadway. He plans to build four condos.

Staff doesn't have a recommendation, but K. Vonck noted that the original loan was used as intended. In terms of leveraging, the RDA would still be in an excellent position and, in addition, would be allowing him to do additional development on S. Broadway, which is a benefit to the City.

A motion was made by Ald. J. Moore and seconded by T. Weber to return to regular order of business. Motion carried.

A motion was made by T. Weber and seconded by G. Delveaux to approve the request to subordinate the loan of \$15,600 for 106-110 S. Broadway for the refinancing of \$120,000 by Fox Community Credit Union. Motion carried.

BILLS:

5. Acceptance of financial report and check register as provided.

A motion was made by G. Delveaux and seconded by M. Parma to approve the financial report and check register as provided. Motion carried.

INFORMATIONAL:

6. Director's Report and Project Updates.

K. Vonck provided updates on the following:

- KI Convention Center
- Larsen Green - working with DDL to move forward with the purchase of the entire parcel

7. Possible special RDA meeting on Tuesday, January 26, 2016.

The purpose of this meeting would be to discuss development of the University Avenue triangle with Festival Foods and the Kwik Trip. They are ready to submit plans with a timeline for Plan Commission on January 25 for the site plans, RDA on January 26 for a term sheet and/or development agreement, and then Council on February 2.

Discussion followed on the ability to get a quorum on January 26, as some RDA members will not be available. Staff will contact RDA members to coordinate a meeting date and time for some time that week.

Chair ruled for adjournment at 2:15 p.m.